

Message Text

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C O N F I D E N T I A L STATE 143115

E.O. 11652: GDS

TAGS: AS, (HOLT, HAROLD E)

SUBJECT: NAVCOMSTA HAROLD E. HOLT (U)
REF: (A) US - GOVERNMENT OF AUSTRALIA (GOA) AGREEMENT
FOR NAVCOMSTA IN AUSTRALIA, DATED 9 MAY 1963, AS
MODIFIED (NOTAL)
FOLLOWING IS TEXT AS RECEIVED FROM DOD/ISA:

1. (C) AS A PART OF WORLDWIDE FEASIBILITY STUDY FOR SHORE ESTABLISHMENT REALIGNMENT (SER), THE SECRETARY THE NAVY HAS RECENTLY INITIATED ACTION WHICH INCLUDES A FEASIBILITY STUDY OF CONVERTING OPERATIONS AND MAINTENANCE (O AND M) OF NAVCOMSTA HAROLD E. HOLT TO CONTRACT. A PREVIOUS FEASIBILITY STUDY HAD ALREADY GENERATED A REQUEST TO OSD (ISA) FROM THE OFFICE OF THE CHIEF OF NAVAL OPERATIONS FOR CONCURRENCE IN A PROPOSAL TO NEGOTIATE WITH APPROPRIATE AUSTRALIAN OFFICIALS FOR INSTITUTING CONTRACT O AND M AT HAROLD E. HOLT.

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2. (C) CIVILIAN CONTRACT OPERATIONS, AS ENVISIONED WOULD INVOLVE AN INITIAL CONTRACT FOR ONE YEAR SUBJECT ANNUAL RENEWAL FOR FIVE YEARS WITH RENEGOTIATIONS PLANNED FOR CONTINUING CONTRACT OPERATIONS AND MAINTENANCE. THE STATION WOULD CONTINUE TO BE A SHORE ACTIVITY OF THE DEPARTMENT OF THE NAVY UNDER A COMMANDING OFFICER.

USUN COMPLEMENT WOULD BE 2 OFFICERS AND 20 ENLISTED. SEVENTEEN OFFICERS AND 343 ENLISTED BILLETS AS WELL AS 15 US NAVY CIVILIANS AND 238 DIRECT HIRE FOREIGN NATIONAL POSITIONS WOULD NO LONGER BE REQUIRED. THE CONTRACTOR WOULD HAVE AUTHORITY TO OPERATE IN AUSTRALIA AND COMPLETE FREEDOM TO SELECT HIS LABOR FORCE. TOTAL EMPLOYMENT IS ESTIMATED AT 220 OF WHICH APPROXIMATELY 200 WOULD BE AUSTRALIAN NATIONALS. ASSISTANCE TO DISPLACED DIRECT HIRE FOREIGN NATIONAL WOULD BE IN ACCORDANCE WITH THE EXISTING AGREEMENT BETWEEN NAVCOMSTA HAROLD E. HOLT AND THE LOCAL UNIONS AND ANY OTHER APPLICABLE AUSTRALIAN LAWS.

3. (C) CONTRACT O AND M AT NAVCOMSTA HAROLD E. HOLT WOULD REALIZE A SIGNIFICANT REDUCTION IN PERSONNEL COSTS, YET PERMIT THE RETENTION OF REQUIRED OPERATIONAL CAPABILITIES. COST SAVINGS TO THE U.S. GOVERNMENT WOULD BE APPROXIMATELY 5.5 MILLION DOLS PER YEAR MOSTLY IN MILITARY MANPOWER PLUS O AND M COST SAVINGS OF APPROXIMATELY 1.1 MILLION DOLS PER YEAR. A ONE-TIME COST OF APPROXIMATELY 1.0 MILLION DOLS FOR CIVILIAN SEVERENCE PAY AND RELOCATION WOULD BE EXPECTED. AN ADDITIONAL ONE-TIME COST OF 100K WOULD BE REQUIRED THE FIRST YEAR FOR INITIAL EQUIPMENT UPGRADES.

4. (C) THE NAVY PRESENTLY CONTEMPLATES NEGOTIATING
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A TECHNICAL ARRANGEMENT WITH THE ROYAL AUSTRALIAN NAVY (RAN), UNDER ARTICLE 15 OF REF A, TO CONVERT NAVCOMSTA H.E. HOLT TO CONTRACT O AND M. NAVY IS PREPARED, HOWEVER, TO NEGOTIATE, UNDER EMBASSY DIRECTION, A GOVERNMENT-TO-GOVERNMENT AGREEMENT IF EMBASSY CONSIDERS THE LATTER REQUIRED.

5. (C) CONCURRENT WITH THE ABOVE, THE U.S. NAVY ALSO DESIRES TO NEGOTIATE AN AGREEMENT WITH THE ROYAL AUSTRALIAN NAVY FOR SHARING COSTS COMMENSURATE WITH RAN'S 25 PERCENT USE OF NAVCOMSTA HAROLD E. HOLT'S PRIMARY ASSET, THE VLF SYSTEM, UNDER ARTICLE 14 OF REF A. THE COST SHARING PORTION OF THE USN-RAN ARRANGEMENT WAS NOT CONCLUDED IN JAN 1975, WHEN THE AGREEMENT AMENDING THE AGREEMENT OF 7 MAY 1963 WAS ENTERED INTO FORCE, BECAUSE THE MULTICHANNEL VLF WAS NOT OPERATIONALLY READY. HOWEVER, SINCE JAN 1977, RAN HAS HAD EXCLUSIVE USE OF 1 OF 4 VLF CHANNELS AT HAROLD E. HOLT WITHOUT REIMBURSEMENT. ADDITIONALLY, RAN HAS STATED A FUTURE REQUIREMENT FOR A HF POINT TO POINT CIRCUIT BETWEEN HAROLD E. HOLT AND GARDEN ISLAND, WESTERN AUSTRALIA.

6. (C) REQUEST YOUR COMMENTS ON THE EXPECTED GOA VIEWS

REGARDING THE PROPOSED CONTRACT O AND M AT HAROLD E. HOLT UNDER ARTICLE 15 OF REF A AND REOPENING THE NEGOTIATIONS ON THE COST SHARING ARRANGEMENT UNDER ARTICLE 14 OF REF A. FYI, IT IS POSSIBLE THAT THE AUSTRALIAN GOVERNMENT HAS BEEN MADE AWARE OF THE RECENT SECNAV (SER) STUDY, AS DISTINCT FROM THIS SPECIFIC PROPOSAL TO ACTUALLY CONVERT TO CONTRACT O&M, THROUGH THE RAN DEPUTY COMMANDER AT THE NAVCOMSTA, DUE TO THE SER REQUEST HAVING BEEN TRANSMITTED TO THE COMMANDER OF THE COMMUNICATIONS STATION. FOR THIS REASON, AND BECAUSE OF RECENT FLAP OVER HAROLD E. HOLT SATCOM EQUIPMENT, WE INTEND TO FORMALLY INFORM THE GOA OF OUR THINKING AS SOON AS POSSIBLE.

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7. (C) REQUEST YOUR RECOMMENDATIONS ON HOW BEST TO PROCEED WITH THE ABOVE NEGOTIATIONS. VANCE

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